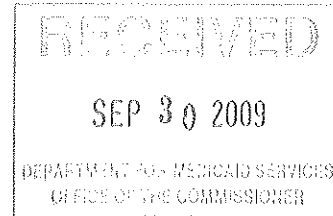


Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
61 Forsyth St., Suite 4T20  
Atlanta, Georgia 30303-8909



September 24, 2009

Ms. Elizabeth A. Johnson  
Commissioner  
Cabinet for Health and Family Services  
Department of Medicaid Services  
275 East Main Street, 6W-A  
Frankfort, Kentucky 40621-0001



Attention: Kevin Skeeters

RE: Kentucky Title XIX State Plan Amendment, Transmittal #09-006

*File*

Dear Ms. Johnson:

We have reviewed the proposed amendment to the Kentucky Medicaid State Plan that was submitted under transmittal number 09-006. This amendment adds more detail for coverage and reimbursement for independent laboratories and ensures that the State Plan is in line with the State of Kentucky regulations.

Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment 09-006 was approved on September 18, 2009. The effective date for this amendment is May 7, 2009. We are also enclosing the approved HCFA-179 and plan pages.

If you have any questions or need any further assistance, please contact Maria Donatto at 404-562-3697 or Darlene Noonan at 404-562-2707.

Sincerely,

Mary Kaye Justis, RN, MBA  
Acting Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:  
09-006

2. STATE  
Kentucky

3. PROGRAM IDENTIFICATION: TITLE XXI OF THE  
SOCIAL SECURITY ACT (CHIP)

4. PROPOSED EFFECTIVE DATE  
May 7, 2009

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 440.30, 493, 42 USC 1395l(h)(1)(A), 1396a(a)(9),  
1396b(i)(7), 1396d

7. FEDERAL BUDGET IMPACT:  
a. FFY 2009 - Budget Neutral  
b. FFY 2010 - Budget Neutral

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 3.1-A pages 7.1.1(b)-7.1.1(b)(1);  
Att. 3.1-B pages 13.4, 13.5;  
Att. 4.19-B pages 20.13-E

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Same

10. SUBJECT OF AMENDMENT:

This plan amendment adds more detail for coverage and reimbursement for independent laboratories. This is to ensure our state plan is in-line with our state regulations.

11. GOVERNOR'S REVIEW (Check One):


☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

X OTHER, AS SPECIFIED: Review delegated  
to Commissioner, Department for Medicaid  
Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME: Elizabeth A. Johnson

14. TITLE: Commissioner, Department for Medicaid Services

15. DATE SUBMITTED: June 30, 2009

16. RETURN TO:

Department for Medicaid Services  
275 East Main Street 6W-A  
Frankfort, Kentucky 40621

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

06/30/09

18. DATE APPROVED:

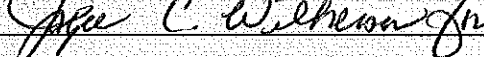
09/18/09

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

05/07/09

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Mary Kaye Justis, RN, MBA

22. TITLE:

Acting Associate Regional Administrator  
Division of Medicaid & Children's Health Opns

23. REMARKS:

Approved with following changes as authorized by State Agency on email dated 07-16-009:

Block # 8 Attachment 3.1-A pages 7.1.1(b)-7.1.1(b)(1); Attachment 3.1-B pages 13.4, 13-5 and Attachment 4.19-B page 20.13-E **changed to read:** Attachment 3.1-A, pages 7.1.1 (b)(1), 7.1.1(b)(2) and Attachment 3.1-B pages 13.4, 13.5 and Attachment 4.19-B page 20.13-E

NOTE: Attachment 3.1-A page 7.1.1(b) number three has moved to the top of page 7.1.1(b)(1)

---

### 3. Other Lab and X-Ray Services

#### A. Coverage.

- (1) The department shall reimburse for a procedure provided by an independent laboratory if the procedure:
  - (a) Is one that the laboratory is certified to provide by Medicare and in accordance with state regulation.
  - (b) Is a covered service within the CPT code range of 80047 – 89356 except as indicated in Section B.
  - (c) Is prescribed in writing or by electronic request by a physician, podiatrist, dentist, oral surgeon, advanced registered nurse practitioner, or optometrist; and
  - (d) Is supervised by a laboratory director; and
  - (e) Is independent of an institutional setting.
- (2) The department shall reimburse for a radiological service if the service:
  - (a) Is provided by a facility that:
    - 1) Is licensed to provide radiological services;
    - 2) Meets the requirements established in 42 CFR 440.30;
    - 3) Is certified by Medicare to provide the given service;
    - 4) Meets the requirements established in 42 CFR 493 regarding laboratory certification, registration, or other accreditation as appropriate; and
  - (b) Is prescribed in writing or by electronic request by a physician, oral surgeon, dentist, podiatrist, optometrist, advanced registered nurse practitioner, or a physician's assistant;
  - (c) Is provided under the direction or supervision of a licensed physician; and
  - (d) Is a covered service within the CPT code range of 70010 – 78999.

#### B. Exclusions. The department shall not reimburse for an independent laboratory or radiological service for the following services or procedures:

- (1) A procedure or service with a CPT code of 88300 through 88399;
- (2) A procedure or service with a CPT code of 89250 through 89356;
- (3) A service provided to a resident of a nursing facility or an intermediate care facility for individuals with mental retardation or a developmental disability; or
- (4) A court-ordered laboratory or toxicology test. The court-ordered exclusion does not apply when medically necessary and in the scope of the Medicaid program.

#### C. Provider Participation Conditions.

- 
- (1) To be reimbursed by the department for a service provided in accordance with this administrative regulation, a provider of independent laboratory services or radiological services shall:
- (a) Be a Medicaid-enrolled provider;
  - (b) Be a Medicare participating facility;
  - (c) Comply with state regulations on Non-duplication of Payments and Claims processing;
  - (d) Comply with the requirements regarding the confidentiality of personal records pursuant to 42 U.S.C. 1320d-8 and 45 C.F.R. parts 160 and 164; and
  - (e) Annually submit documentation of:
    - 1) Current CLIA certification to the department if the provider is an independent laboratory; and
    - 2) A current radiological license to the department if the provider provides radiological services.
- (2) A provider may bill a recipient for a service not covered by the department if the provider informed the recipient of noncoverage prior to providing the service.

---

### 3. Other Lab and X-Ray Services

#### A. Coverage.

- (1) The department shall reimburse for a procedure provided by an independent laboratory if the procedure:
  - (a) Is one that the laboratory is certified to provide by Medicare and in accordance with state regulation.
  - (b) Is a covered service within the CPT code range of 80047 – 89356 except as indicated in Section B.
  - (c) Is prescribed in writing or by electronic request by a physician, podiatrist, dentist, oral surgeon, advanced registered nurse practitioner, or optometrist; and
  - (d) Is supervised by a laboratory director; and
  - (e) Is independent of an institutional setting.
- (2) The department shall reimburse for a radiological service if the service:
  - (a) Is provided by a facility that:
    - 1) Is licensed to provide radiological services;
    - 2) Meets the requirements established in 42 CFR 440.30;
    - 3) Is certified by Medicare to provide the given service;
    - 4) Meets the requirements established in 42 CFR 493 regarding laboratory certification, registration, or other accreditation as appropriate; and
  - (b) Is prescribed in writing or by electronic request by a physician, oral surgeon, dentist, podiatrist, optometrist, advanced registered nurse practitioner, or a physician's assistant;
  - (c) Is provided under the direction or supervision of a licensed physician; and
  - (d) Is a covered service within the CPT code range of 70010 – 78999.

#### B. Exclusions. The department shall not reimburse for an independent laboratory or radiological service for the following services or procedures:

- (1) A procedure or service with a CPT code of 88300 through 88399;
- (2) A procedure or service with a CPT code of 89250 through 89356;
- (3) A service provided to a resident of a nursing facility or an intermediate care facility for individuals with mental retardation or a developmental disability; or
- (4) A court-ordered laboratory or toxicology test. The court-ordered exclusion does not apply when medically necessary and in the scope of the Medicaid program.

#### C. Provider Participation Conditions.

- 
- (1) To be reimbursed by the department for a service provided in accordance with this administrative regulation, a provider of independent laboratory services or radiological services shall:
    - (a) Be a Medicaid-enrolled provider;
    - (b) Be a Medicare participating facility;
    - (c) Comply with state regulations on Non-duplication of Payments and Claims processing;
    - (d) Comply with the requirements regarding the confidentiality of personal records pursuant to 42 U.S.C. 1320d-8 and 45 C.F.R. parts 160 and 164; and
    - (e) Annually submit documentation of:
      - 1) Current CLIA certification to the department if the provider is an independent laboratory; and
      - 2) A current radiological license to the department if the provider provides radiological services.
  - (2) A provider may bill a recipient for a service not covered by the department if the provider informed the recipient of noncoverage prior to providing the service.

**XI. Laboratory and Radiological Services****A. Reimbursement.**

- (1) The department shall reimburse an independent laboratory the current Medicare rate established by CMS:
  - (a) For Kentucky;
  - (b) For the covered service or procedure; and
  - (c) In accordance with 42 USC 1395l(h)(1)(A).
- (2) Reimbursement for a service provided by an independent laboratory shall not exceed the limit established in 42 USC 1396b(i)(7).
- (3) The department shall reimburse a Medicaid-enrolled provider licensed to provide radiological services:
  - (a) The provider's usual and customary charge for the service; and
  - (b) Not to exceed sixty (60) percent of the upper payment limit established for the procedure in the Medicaid physician fee schedule found in this attachment.

**XII. (Deleted)****XIII. Family Planning Clinics**

Eff. 7-1-87 The State Agency will reimburse participating family planning 7-1-87 agencies for covered services in accordance with 42 CFR Section 447.321; payments shall not exceed applicable Title XVIII upper limits. Payments to physicians and Advanced Registered Nurse Practitioners (ARNP) for individual services shall not exceed the following amounts:

	Physicians	ARNP
Initial Clinic Visit	\$50.00	\$37.75
Annual Clinic Visit	\$60.00	\$45.00
Follow-up Visit with Pelvic Examination	\$25.00	\$18.75
Follow-up Visit without Pelvic Examination	\$20.00	\$15.00
Counseling Visit	\$13.00	\$13.00
Counseling Visit w/3 months contraceptive supply	\$17.00	\$17.00
Counseling Visit w/6 months contraceptive supply	\$20.00	\$20.00
Supply Only Visit – Actual acquisition cost of contraceptive supplies dispensed		